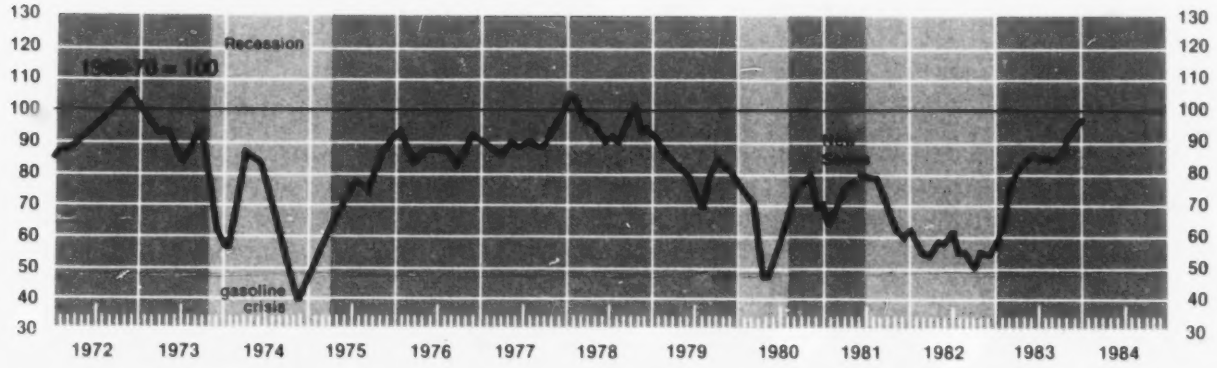
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index

February, 1984



CONSUMERS INCREASINGLY OPTIMISTIC, BUT PLANS TO BUY SOFTER

The Board's measure of consumer confidence registered a further gain in January for the fifth consecutive month. The current index (1969-1970 = 100) is 97.8, representing a gain of nearly three points for the month. However, buying plans are down.

The consumers' perception of the ongoing situation continues to improve. With declining unemployment, there is less apprehension about jobs. A larger number of persons than previously report that jobs are plentiful. Nevertheless, a sturdy proportion of respondents still complain that work is "hard to find."

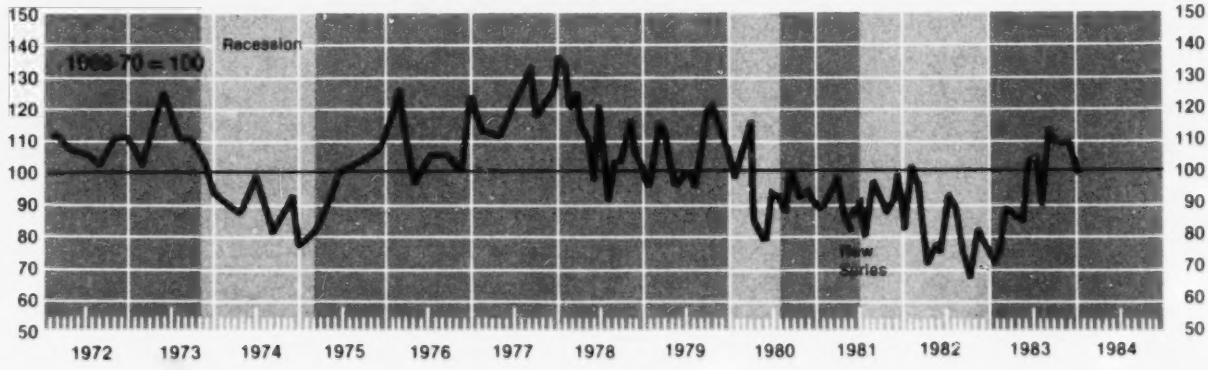
However, in their expectations for the months ahead more than twice as many respondents believe that more jobs will become available than fear that they will grow increasingly scarcer. In their assessment of future business conditions generally, the same number of persons as last time expect circumstances to improve while fewer fear that they will worsen. Also, slightly more consumers than in the previous probe expect their income to increase in the coming months.

Despite the consumers' rising spirits, buying plans are down. The number who intend to buy a car over the next six months has dropped to 8.3% of all respondents, from a prior 8.7 percent. Interest in homes has sagged to 3.3% from 3.6% of all respondents; and intentions to purchase a major appliance fell to 26.0% from 29.8 percent. However, buying plans tend to be quite volatile on a month-to-month basis. Over the past three months, the Board's Buying Plans Index averaged out at a slightly higher level than in the immediately preceding comparable period.

The steady improvement in consumer confidence—particularly, their optimistic expectations for the months ahead—is most reasurring. Certainly, there appears to be little basis for the recent concern, expressed by some observers of the business scene, that the recovery may be faltering. On the contrary, based on the record, the most recent consumer survey results suggest that economic growth in the first quarter of this year will match—or even exceed—the pace of activity in the final quarter of 1983.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

All series seasonally adjusted	1983 *Jan*	*Feb*	*Mar*	*Apr*	*May*	*June*	*July*	*Aug*	*Sept*	*Oct*	*Nov*	*Dec (r)*	1984 *Jan (p)*
Composite Series: Index Numbers, 1966=100													
Consumer Confidence Index	58.0	65.8	77.1	80.3	84.0	84.4	84.7	84.6	84.8	85.1	90.2	90.7	97.9
Present Situation	13.8	14.1	19.5	23.9	28.2	30.8	37.2	39.3	43.7	48.0	51.7	57.9	62.6
Expectations	87.5	100.3	115.5	112.9	121.2	119.6	116.3	114.8	112.6	113.0	116.2	116.9	121.1
Buying Plans Index	71.9	75.8	87.9	86.0	85.2	103.6	100.5	89.9	113.5	100.9	105.9	106.5	96.6
Appraisal of Present Situation: Percent													
Business Conditions													
Good	7.3	7.7	10.1	11.4	13.5	15.0	15.9	16.5	18.3	19.4	20.2	23.9	24.8
Bad	53.1	53.2	47.8	44.7	38.7	36.9	32.2	33.5	31.0	30.8	27.5	23.9	22.1
Normal	39.6	39.1	42.1	43.9	47.3	48.1	50.9	50.0	50.7	49.8	52.3	52.2	53.6
Employment													
Jobs plentiful	2.9	2.7	3.5	4.9	4.6	5.9	6.8	7.4	7.7	7.4	9.5	9.8	11.3
Jobs not so plentiful	37.1	38.7	42.2	41.7	44.1	45.5	45.9	48.6	48.5	49.3	50.4	51.2	50.1
Jobs hard to get	60.0	58.6	54.3	53.4	51.3	48.6	47.3	44.0	43.8	43.3	40.1	39.0	38.6
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	25.7	32.2	39.2	38.9	39.1	37.6	36.6	32.7	30.1	30.1	31.2	32.8	32.8
Worse	14.8	11.5	7.1	6.2	4.8	5.3	6.6	6.6	6.8	6.7	6.1	5.2	3.9
Same	59.5	56.3	53.7	54.9	56.1	57.1	56.8	60.7	63.1	63.2	62.7	62.0	63.3
Employment													
More jobs	19.3	24.2	31.6	31.0	30.8	29.7	28.9	26.6	24.5	24.8	25.6	25.9	25.2
Fewer jobs	22.3	16.9	13.7	11.9	10.1	11.0	13.0	12.1	13.1	13.8	11.9	10.6	10.7
Same	58.4	58.8	54.7	57.1	59.1	59.3	58.1	61.3	62.4	61.4	62.5	63.5	64.1
Income													
Increase	22.9	20.5	24.8	26.6	25.9	26.0	28.7	26.0	28.3	31.1	28.3	31.1	31.8
Decrease	11.9	10.6	9.1	9.6	9.6	8.9	8.9	8.8	8.6	7.6	7.8	7.7	7.5
Same	65.2	68.9	66.1	63.8	64.5	65.1	62.4	65.2	63.1	61.3	63.9	61.2	60.7
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	5.1	5.4	7.2	6.1	6.0	8.4	7.8	7.2	9.1	9.0	9.3	8.7	8.3
New	3.0	3.1	3.9	3.4	3.6	4.7	4.1	3.4	5.1	5.3	5.1	4.9	5.1
Used	1.9	2.0	2.8	2.4	2.1	2.2	2.7	2.4	3.6	3.3	3.4	3.3	2.4
Uncertain	0.2	0.3	0.5	0.3	0.3	1.5	1.0	1.4	0.4	0.4	0.8	0.5	0.8
Home													
Yes	2.4	2.4	2.7	3.1	2.8	3.4	3.3	3.0	3.8	3.6	3.6	3.6	3.3
New	0.6	0.4	0.6	0.6	0.8	1.0	1.1	0.8	1.3	1.0	1.2	1.2	0.9
Lived in	1.3	1.5	1.4	1.8	1.3	1.7	1.3	1.5	1.7	1.9	1.6	1.5	1.4
Uncertain	0.5	0.5	0.7	0.7	0.7	0.7	0.9	0.7	0.8	0.7	0.8	0.9	1.0
Major appliances													
Total plans	22.1	22.3	23.7	23.4	25.5	27.7	29.2	23.8	30.6	29.2	26.5	29.8	26.0
Refrigerator	3.0	3.2	3.3	3.9	3.8	3.3	4.7	3.4	4.1	3.4	3.5	3.7	3.1
Washing machine	2.9	2.4	2.7	2.9	3.2	4.3	3.5	2.7	4.0	3.3	3.6	3.6	3.2
Black and white TV	0.7	1.1	0.9	0.5	1.0	0.7	0.7	0.9	1.1	1.0	0.7	1.2	1.0
Color TV	5.4	5.8	6.5	6.1	7.4	8.1	7.6	6.1	8.2	8.0	7.5	8.2	7.7
Vacuum Cleaner	4.3	4.1	4.3	4.2	3.9	4.6	5.0	4.1	5.2	5.6	4.4	5.2	4.1
Range	2.2	2.4	2.2	2.4	2.2	2.6	2.8	2.3	2.6	2.6	2.4	2.7	2.5
Clothes dryer	2.4	2.5	2.5	2.3	2.8	2.8	3.4	2.8	3.1	3.1	2.7	3.3	2.6
Air conditioner	1.2	0.8	1.3	1.1	1.2	1.3	1.5	1.5	2.3	2.2	1.7	1.9	1.8
Carpet	5.1	7.6	7.2	6.7	6.9	7.3	6.7	6.9	8.2	7.1	8.1	7.4	6.2
Vacation Intended Within Six Months: Percent													
Vacation Intended		46.3		43.4		48.1		47.2		49.8		48.5	
Destination													
Home state		11.1		8.4		9.2		9.9		10.5		10.3	
Other state		31.6		30.9		34.2		32.8		33.5		33.4	
Foreign country		5.1		5.7		6.6		6.2		7.0		6.5	
Means of Travel													
Automobile		30.5		28.0		32.5		31.5		31.3		30.4	
Airplane		15.2		15.2		17.1		15.5		17.1		17.9	
Other		3.6		3.2		4.3		3.6		4.1		3.6	

New Series: Beginning May, 1981 the NFO sample includes all types of households, prior to that families only. To link results overlapping surveys were conducted for four months commencing with May. Data are available on request.

(p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein Waters at (212) 759-0900.